

CHARITABLE GAMING HIGHLIGHT\$

2008 Volume 21, No.1



We want YOU
to send us your
bingo success story



Has your organization been successful in attracting non-players to your bingo game? Did your organization fund a cause using proceeds from bingo? Have you found new ways to be successful in bingo?

If so, we would love to hear your story and perhaps have it featured in an issue of HIGHLIGHT\$. Send any stories to HIGHLIGHT\$, c/o Charitable Gaming Division, PO Box 30023, Lansing, MI 48909. Be sure to include your name and phone number so that we can contact you with any questions.

Coming Soon: Online License Search!

Life is getting a lot simpler. You will soon be able to find the status of your license *instantly* when you search for your new license online. Once the lookup has been completed you can find it at www.michigan.gov/cg.

The screenshot shows the Michigan Charitable Gaming website. The header includes the Michigan Lottery logo and the text "Charitable Gaming Michigan Lottery" and "Michigan.gov An Official State of Michigan Web Site". The navigation bar includes links to "Michigan.gov Home", "Charitable Gaming Home", "Contact Charitable Gaming", and "FAQ". The left sidebar contains a list of links: "Qualification Requirements", "Raffles", "Bingo", "Millionaire Party", "Charity Game Tickets", "Rules Regulations and Publications", "Hall", and "Supplier". The main content area is titled "License Application Status Lookup" and contains the following text: "In order to check the status of your raffle, millionaire party, or special bingo license application, you will need to know and enter the following:" followed by a numbered list: 1. Your 6-digit organization ID that we assigned you. 2. The date of your event. 3. The type of license you applied for. Below the list are input fields for "Organization ID Number:" and "Date of Event:" (with a dropdown for the month, currently set to "July", and a dropdown for the year, currently set to "2008"). There are also radio buttons for "Raffle:", "Millionaire Party:", and "Special Bingo:". At the bottom of the form is a button labeled "Lookup Application Status". The right sidebar contains a "Search" box with a "GO" button, a list of links: "Departments/Agencies", "Online Services", "Surveys", and "RSS Feeds", and a "Quick Links" section with links to "Commissioner M. Scott Bowen", "FAQ", "2007 Annual Report" (with a PDF icon), "Complaint Form", and "Michigan Lottery".



Meet the New Lottery Commissioner

M. Scott Bowen was appointed as the new commissioner of the Michigan Bureau of State Lottery on January 13, 2008.

Bowen, of Grand Rapids, had previously served as the director of the Office of the State Employer. He was a practicing attorney and served as judge of the 62 A District Court in Wyoming until July 2005. Prior to his judicial appointment, Bowen was a partner at McNerney & Bowen and was a founder and partner of Bowen, Distel & Haynes P.L.C.

In addition to Bowen's appointment as the director of the Office of the State Employer and his judicial appointment, Bowen's previous government experience includes two terms on the Grand Rapids City Council, serving as president in 1999. Bowen was also a special assistant attorney general for the Michigan Department of Transportation.

Bowen earned his law degree from the University of Detroit Law School and his bachelor's degree from Michigan State University.

The lottery commissioner is responsible for the overall management and operation of the bureau, including development of long range plans, formulation of policy, assuring the accountability and integrity of the lottery and charitable gaming, and establishing and maintaining contact with state legislators to research, evaluate, and gauge the impact of lottery related legislation.

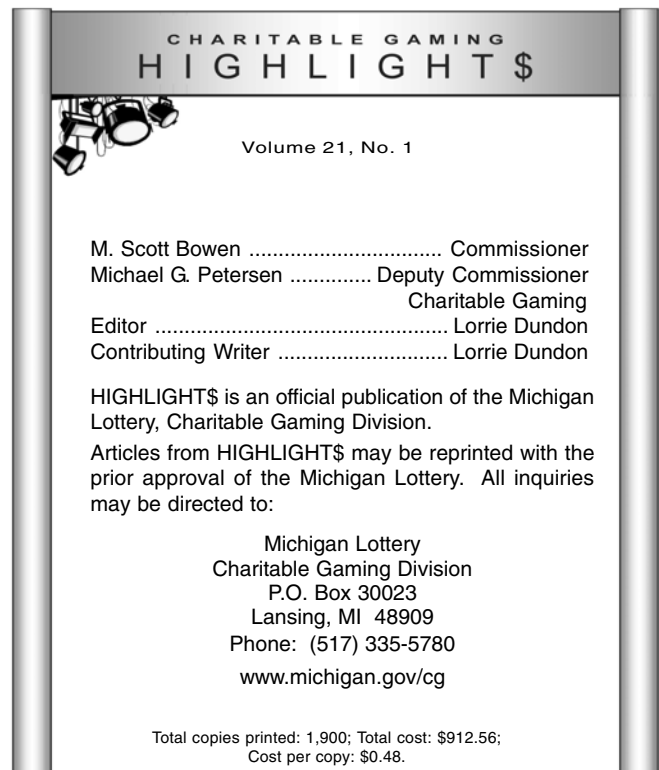
Ron Wells, Inspection Supervisor Eastern Region



The Charitable Gaming Division is pleased to announce the appointment of Ron Wells as the inspection supervisor for districts in the Eastern Region of Michigan.

Ron was previously the District 4 inspector, which includes Kent, Montcalm, Gratiot, Ionia, Cinton, Eaton, Ingham, and Jackson counties.

Ron has been plugging away at his new responsibilities. He says, "I'm going to miss the personal contacts from being an inspector for the past (almost) four years but am looking forward to my new challenges as a supervisor."



Cheaters Hit the Clubs

Are Vegas slot cheater “wannabe’s” hitting Michigan clubs? While veteran and fraternal clubs don’t turn over the kind of gaming revenue a casino does, the average club sells about \$3,600 in tickets each week.

This May, several VFW and American Legions across Michigan began reporting two to four large white males who had entered their clubs and provided appropriate membership identification cards. These men would hang out at the ticket vending machines, playing the ticket with the largest denomination (either a \$2 or \$5 ticket), turn in the winners, and leave. After they left, it was determined the ticket vending machine did not contain the amount of cash that it should have had based on the tickets sold.

This type of theft is no stranger to casinos. Scammers had developed a number of devices over the years. The first slot machine scams started with yo-yo coins, which kept the coin on a string in order to keep playing it. Several other methods have been developed over the years to win at the slot machines. Jackpots have been “released” using wire devices and light wands. There have also been methods that electronically manipulate the computer chips, either generating jackpots or racking up credits.

The ticket vending machines at the Michigan clubs were hit with a device that made the ticket vending machine think that cash had been deposited, likely through the bill validator. In every situation there was more than one person involved. The accomplices (usually big guys) served as lookouts and blockers so no one could see what they were doing.

So how do you protect your club from being a victim of cheaters? There are many steps you can take to reduce the opportunity for others to take advantage of your club.

- Now that you have become aware of the potential, educate your bartenders and members to pay attention to strangers. Cheaters will not attempt to play at a club if they feel they are watched too closely.
- If you feel uneasy about a customer, go outside and record their license plate number.
- Place your machine in a location that is easily observed by the bartender.
- Post a sign that restricts those standing at the machine to only one at a time.
- Invest in one or two strategically-placed surveillance cameras.

If you believe one of your ticket vending machines has fallen victim to a cheater, please contact your local law enforcement then notify Mark Bentley with the Charitable Gaming Division at 517-241-7049.

While cheaters are eventually caught, there is plenty of opportunity for cheats to take advantage of those who will let them. Stay ahead of the game and make it difficult for ticket vending machine cheats to take advantage of Michigan’s veteran and fraternal clubs.



These gentlemen demonstrate how easy it is to screen the view of the ticket vending machine.

Ticket Vending Machine Variety = Increased Revenue

Providing customers with an increased variety of charity game tickets results in increased revenues. Some of our most successful clubs are selling every club game available and asking the bureau to provide an even larger selection. In fact, stats collected by the Charitable Gaming Division show that for any given timeframe, the more variety of denominations offered to players, the higher the average revenue. The following figures were reported during the last half of 2007. Note that as clubs offer fewer of the \$5, \$3 and \$2 tickets, their revenue decreases.

Allocation of the Average Club Player's Dollar

		\$0.50 ticket	\$1 ticket	\$2 ticket	\$3 ticket	\$5 ticket
Average Gross Revenue	over \$200,000	\$0.28	\$0.45	\$0.16	\$0.04	\$0.06
	\$100,000 to \$199,999	\$0.29	\$0.48	\$0.15	\$0.03	\$0.05
	\$50,000 to \$99,999	\$0.31	\$0.47	\$0.15	\$0.03	\$0.04
	\$20,000 to \$49,999	\$0.35	\$0.50	\$0.11	\$0.01	\$0.02
	\$10,000 to \$19,999	\$0.42	\$0.51	\$0.05	\$0.01	\$0.01
	\$9999 and less	\$0.57	\$0.47	\$0.02	\$0.00	\$0.00



The bottom line is, while certain tickets may be very popular at your club, every player is different and what works for one player doesn't necessarily work for another. Also, players like to be able to mix it up a bit.

Hear Ye! Hear Ye! Introducing Royalty Club



King and Queen is an add-on that some bingo licensees feature to add another element of fun to bingo. A player is selected by being the first man or woman to bingo during the event. The king or queen is given the royal treatment, often given a prominent place on the stage, referred to as "your majesty", and provides the caller with his/her lucky number. Each time their lucky number is called (excluding coverall games) they are paid \$5 or another small amount.

Fashioned after King and Queen is our newest charity game ticket, Royalty Club. This \$0.50 ticket features kings, queens, and other bingo-related symbols. It is a colorful 3-window ticket with easy to read graphics. A player must match symbols in the top two windows to win. The bottom window labeled "Royalty Club" allows a player the opportunity to win \$5 in addition to any prize won in the top two windows.

Contact your supplier today and bring royalty to your bingo.

Try It! You'll Like It!

Every day we hear stories about how one bingo or another had refused to try Lucky Bingo Balls—the organization was happy with bingo the way it was, the volunteers didn't want to learn anything new, it seemed too complicated, there weren't enough volunteers to sell the game.



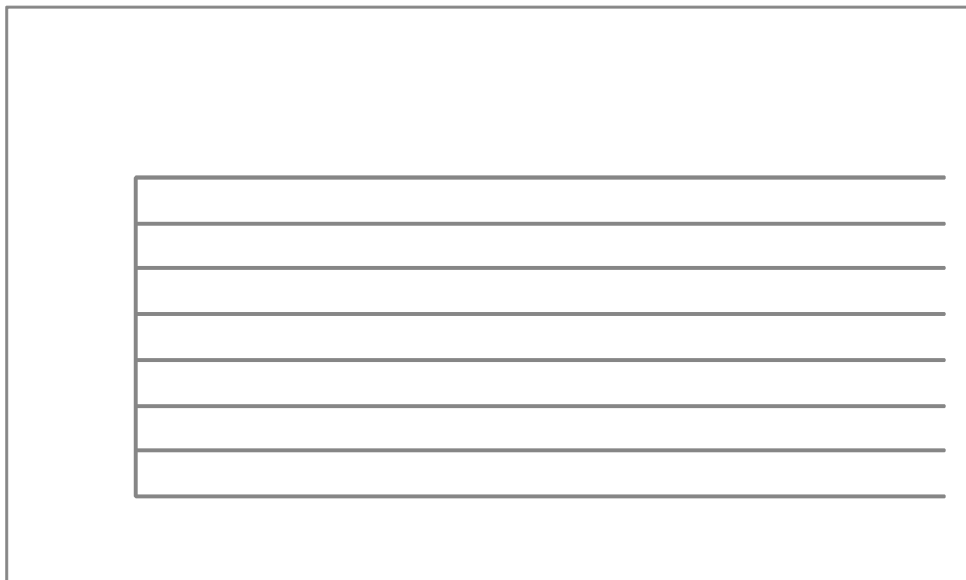
Then something happens. Someone says “OK, we'll try just one.” Or it was recently introduced at the bingo on the other side of town and the players who have tried it are demanding Lucky Bingo Balls be sold at this bingo. For whatever reason, the organization tries it. That's all it takes.

John of Higgins Bingo Supply in Marquette enjoys telling story after story about the many bingos in his area that didn't think they had enough players to sell a sleeve of Lucky Bingo Balls. Now they don't dare open their doors without it. Linda at Black Jack's doesn't want to say “I told you so” but is getting repeat purchases for those who have finally decided to try the game. After you've sold Lucky Bingo Balls once, it sells itself. Tammy at Bayside Bingo even has a small (L) bingo licensee who has no problem selling out a sleeve at each bingo occasion.

The only thing that is surprising is that there are still bingos who haven't even tried it. A game of Lucky Bingo Balls is so small (with 320 \$1 tickets) that two games are separately sleeved and packed in one small box. Each box of Lucky Bingo Balls costs \$64 (\$32 per game) and provides your coverall game with an extra \$150 prize. Easy-to-follow instructions come with each game and your ticket supplier can provide you with a script, which assists the caller in explaining the game their first time through.

The sales trend for Lucky Bingo Ball is unprecedented. Typically, when a new game is introduced, the first month's sales are the highest. Then sales decrease for a few months until they plateau. As you can see from the chart below, Lucky Bingo Balls is paving its own way. In fact, sales never showed even the slightest decline until the ninth month it was available.

With the struggling economy, increased competition from casinos, the threat of a smoking ban, and the statewide decrease in player attendance, Michigan bingos must be creative in coming up with different ways to keep bingo players happy. Lucky Bingo Balls continues to prove itself time and time again. What more is there to say? Try it! You'll like it!



Clubs: How to Keep Off the “List”

Every issue of HIGHLIGHT\$ contains a minimum of one full page listing annual charity game and bingo licensees who are suspended, primarily because they simply lack accountability. While there is no way to consider all the situations that an annual charity game licensee (club) may be facing, to significantly reduce potential problems, please ensure the following steps are in place:

START CASH

- Start cash must be a consistent amount each week.
- Only replenish or increase start cash by writing a check.

REDEEMING TICKETS

- Verify the serial number on winning tickets.
- Deface all winning tickets immediately (e.g., use marker, tear a corner).

RECONCILIATION

- At the end of each shift or close of business, all winning tickets and remaining cash must be locked in a secure location until they can be reconciled.
- A chairperson or record keeper must reconcile the winning tickets and start cash each day tickets are sold. (Winning tickets plus ending cash should equal the worker’s beginning start cash.)
- Once reconciled, destroy all tickets immediately (e.g., rip them in half, throw them in water.)

REPORTING

- Maintain a Workers Service Record.
- Determine a 7-day period for reporting purposes and stick with it.
- At the end of each 7-day period, take a physical inventory of all unsold charity game tickets then complete the Charity Game Ticket Accountability form. (Forms can be obtained at www.michigan.gov/cg.)
- For each 13-week period, complete the financial statement. Do not split weeks.

DEPOSIT

- Deposit all proceeds at least once a week and within two days from the physical inventory and completion of the Charity Game Ticket Accountability form.
- Keep charity game ticket proceeds in a separate account from Lottery Club Keno sales.

Legal Action

Eagles 4237, Oscoda

Scott Ranney Shreve, record keeper, pled guilty to larceny of a vacant building. The 81st Judicial Court in Tawas City sentenced him to 30 days in jail, 1 year probation, \$2,000 in restitution, and \$795 in court fees.

Administrative Actions

The following licenses were surrendered:

Bingo

2/29/08 Eagles 4290 Auxiliary, Jonesville
2/29/08 Eagles 4290, Jonesville

Supplier

5/30/08 All-In Entertainment, Spring Lake

Suspended Licenses					
Organization Name	City	Violation(s)	Length	Date	License
DAV 9	Bay City	Failure to maintain accurate/current records; failure to deposit proceeds timely; failure to account for all funds.	3 weeks	11/25/07	Annual CGT
GREATER DETROIT COMMUNITY OUTREACH CENTER INC.	Detroit	Failure to follow the bureau's voiding directive; failure to follow Michigan Progressive Jackpot Electronically Linked Bingo Game directive; failure to maintain accurate/current records; failure to deposit proceeds timely; failure to account for all funds.	4 weeks	12/2/07	Bingo
DEMOCRATIC EXEC. COMM. CALHOUN COUNTY	Battle Creek	Failure to follow the bureau's voiding directive; failure to maintain accurate/current records.	2 weeks	12/16/07	Bingo
ANCHOR BAY LIONS CLUB	Anchorville	Failure to maintain all game records; failure to follow Electronic Bingo Card directive; failure to maintain accurate inventory record of disposable bingo cards; failure to account for all funds.	6 weeks	12/23/07	Bingo
VFW 446	Muskegon	Checks made payable to "cash"; failure to maintain accurate/current records; failure to account for all funds.	1 week	12/30/07	Annual CGT
KNIGHTS OF PYTHIAS 171 (A01640)	Colon	Failure to account for all funds.	4 weeks	1/6/08	Bingo
VFW 1888	Trenton	Cashing checks with charity game ticket money; checks made payable to "cash"; failure to maintain accurate/current records; failure to account for all funds.	3 weeks	1/13/08	Annual CGT
KNIGHTS OF PYTHIAS 171 (A21689)	Colon	Failure to account for all funds.	3 weeks	2/3/08	Bingo
AMERICAN LEGION 53	Hillsdale	Illegal gambling in the form of unlicensed Texas Hold'em events.	1 week	2/3/08	All
EAGLES 3655 CENTENNIAL AUXILIARY	Beaverton	Failure to maintain all game records; failure to complete worker pay records; failure to account for all funds.	1 week	2/17/08	Bingo
EAGLES 3541	Harrison	Worker service records incomplete and/or worker pay exceeds the limit; failure to maintain accurate/current records; failure to account for all funds.	8 weeks	3/2/08	Annual CGT
MOOSE 2452	Ewart	Failure to maintain accurate/current records.	1 week	3/9/08	Annual CGT
AMERICAN LEGION 287	Cedar Springs	Failure to deposit proceeds timely; failure to account for all funds.	1 week	4/20/08	Annual CGT
K OF C 5460	Clinton Township	Failure to account for all funds; failure to maintain accurate/current records.	4 weeks	4/27/08	Annual CGT
ST. PIUS X HOME SCHOOL COUNCIL	Flint	Payment of unreasonable and/or unnecessary expenses; failure to maintain accurate/current records; exceeded chip sales limit; failure to account for all funds.	7 months	5/14/08	Millionaire Party
VFW 830	Grand Rapids	Workers service records incomplete; failure to maintain accurate/current records; failure to account for all funds.	1 week	5/18/08	Annual CGT
ST. PIUS X CHRISTIAN SERVICE COMMISSION	Flint	Payment of unreasonable and/or unnecessary expenses; failure to maintain accurate/current records; failure to account for all funds.	7 months	5/22/08	Millionaire Party
ATHERTON BOOSTERS	Burton	Cashing checks out of millionaire party proceeds or start cash; failure to deposit proceeds timely; failure to account for all funds.	19 months	5/22/08	Millionaire Party
AMERICAN LEGION 104	Standish	Worker service records incomplete and/or worker pay exceeds the limit; failure to maintain accurate/current records; failure to account for all funds.	1 week	5/25/08	Annual CGT
MOOSE 574	Sturgis	Illegal gambling in the form of pools, dice games, and unlicensed raffles.	4 weeks	6/8/08	All
HESPERIA AREA CHAMBER OF COMMERCE	Hesperia	Failure to follow Electronic Bingo Card directive; failure to maintain accurate/current records; failure to account for all funds.	8 weeks	6/15/08	Bingo
DADS OF FOREIGN SERVICE VETERANS 236	Comstock	Failure to keep all game records; failure to maintain an accurate inventory record of disposable bingo cards; selling boxes of charity game tickets owned by another licensee; failure to account for all funds.	2 weeks	6/15/08	Bingo



Area Training Sessions

Charitable Gaming inspection staff conduct training sessions to provide the most current information to our licensed organizations. We would like you to attend one of our training sessions if you are a principal officer, chairperson, or record keeper who has not attended a training session lately. You can attend either one or both sessions.

12 - 2 p.m. Bingo and Charity Game Tickets

2 - 4 p.m. Texas Hold'em and Raffles

July 9, 2008

Masonic Building
128 W. Washington St.
Marquette

July 11, 2008

K of C 529
1880 Hamilton Road
Alpena

August 7, 2008

Multi Lakes Conservation
Association
3860 Newton Road
Commerce Township

September 18, 2008

Amvets 1988
1959 West 24th Sreet
Baldwin

October 7, 2008

Elks 2292
25950 Schoenherr
Warren

Compulsive gambling can be treated. If you, a family member, co-worker, or a friend need help or would like to learn more about problem gambling and the programs available, please call the Michigan 24-Hour Help Line at 1-800-270-7117.

Bureau of State Lottery
Charitable Gaming Division
P.O. Box 30023
Lansing MI 48909

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